

**STATEMENT OF PROCEEDINGS FOR THE
SPECIAL MEETING OF THE
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK
CITY COUNCIL CHAMBERS
6550 MILES AVENUE
HUNTINGTON PARK, CALIFORNIA, 90255**

Wednesday, January 16, 2013

3:30 PM

I. CALL TO ORDER

Chair Guerrero called the meeting to order 3:50 p.m.

II. ROLL CALL

Rhonda Rangel, Oversight Board staff, called the roll and announced that Board Member Adame has resigned.

Present: Board Member Luis Buendia, Board Member Albert Fontanez,
Board Member Theresa Villegas, Vice Chair Yolanda Duarte and
Chair Elba Guerrero

Absent: Board Member Richard Verches

Vacant: County Appointee

III. ADMINISTRATIVE MATTERS

1. Recommendation: Approve the Statement of Proceedings of December 12, 2012. (13-0396)

On motion of Board Member Villegas, seconded by Board Member Fontanez, duly carried by the following vote, the Board approved the Statement of Proceedings for the December 12, 2012 meeting:

Ayes: 4 - Board Member Buendia, Board Member Fontanez,
Board Member Villegas and Vice Chair Duarte

Abstentions: 1 - Chair Guerrero

Absent: 1 - Board Member Verches

Attachments: [SUPPORTING DOCUMENT](#)

2. Recommendation: Approve the Due Diligence Review of Non Housing Funds pursuant to Health and Safety Code Section 34179.5. (13-0397)

Mr. Julio Morales, Director of Finance, stated that there were some changes made to Page 19 of the Due Diligence Review (DDR) as requested at the January 9, 2013 meeting. Mr. Morales disseminated a Cash Flow Summary which included a revised Page 19, *Calculations of Current Balances for Retention to Meet Enforceable Obligations*, of the DDR and provided an overview of the revisions.

Mr. Morales clarified that as a result of a Meet and Confer with the Department of Finance on December 14, 2012, it was determined that the amount of enforceable obligations on the Recognized Obligation Payment Schedule for January 1, 2013 through June 30, 2013 (ROPS 3) is \$4,622,406 and the amount was revised on the DDR. The final Funding Deficiency on Page 19 of the DDR was also revised to -\$1,535,402.

Board Member Buendia recommended that the arbitrary rebate liability payment due in 2014, discussed at the January 9, 2013 meeting, be added to the next ROPS and approved so a payment can be made right away. Mr. Morales added that the proceeds from sales of any properties go toward the arbitrage payment.

On motion of Board Member Fontanez, seconded by Board Member Villegas, duly carried by the following vote (Board Member Verches being absent), the Board approved the amended Due Diligence Review of Non Housing Funds pursuant to Health and Safety Code Section 34179.5.

Ayes: 5 - Board Member Buendia, Board Member Fontanez, Board Member Villegas, Vice Chair Duarte and Chair Guerrero

Absent: 1 - Board Member Verches

Attachments: [SUPPORTING DOCUMENT](#)

IV. CLOSED SESSION

3. Oversight Board Counsel shall provide a briefing on the items listed for Closed Session as follows:

PUBLIC EMPLOYMENT
(Government Code Section 54957)

Interview and consider candidates for the position of Oversight Board Legal Counsel. (13-0395)

The Closed Session was taken out of order.

By common consent, there being no objection (Board Member Verches being absent), the Oversight Board entered into Closed Session at 3:57 p.m.

(Board Member Buendia arrived during the Closed Session at 4:01 p.m.)

The Closed Session adjourned and the Open Session reconvened at 4:46 p.m with the following Board Members present: Chair Guerrero, Vice Chair Duarte, Board Member Buendia, Board Member Fontanez, and Board Member Villegas.

Chair Guerrero announced that by unanimous decision, the Board chose to retain Ms. Teresa Highsmith of Colantuono and Levin P.C. to provide legal counsel services to the Oversight Board and instructed Successor Agency Staff to inform Ms. Highsmith and draft an Agreement for approval at the next meeting.

V. REPORT

4. Update on Successor Agency Owned Properties. (13-0403)

Julio Morales, Director of Finance, provided an overview of the inventory of properties owned by the Former Community Development Commission. Ms. Fernanda Palacios, Project Manager, clarified that the report only covers the appraisals which took place for Successor Agency (SA) owned properties. (Board Member Fontanez left the meeting at 5:18 p.m.)

Mr. Morales reported that the Southland Steel property appraised for about 4.7 million dollars and the appraisal was solely based under the presumption that the soil and water were cleaned and there were no other environmental issues. However, there are several contamination issues of soil and water on the land. Mr. Morales added that it would be possible to sell the property to a potential buyer quicker if it were sold for much less than 4.7 million dollars it was appraised at and he also noted that the SA could also sell the property for more than 4.7 million dollars if improvements were made on the property. Mr. Morales added that the SA does not have any money to make improvements or remediate the soil on the property.

Mr. Morales further added that there was a proposal submitted by an interested party in the approximate amount of 1.36 million dollars. However, there are no plans of selling the property and by selling the property "as is" it will remove the City and Successor Agency from all liability.

By Common Consent, there being no objection (Board Member Verches and Board Member Fontanez being absent), the Oversight Board received and filed the report.

VI. MISCELLANEOUS

5. Matters not on the posted agenda (to be presented and placed on the agenda for a future meeting). (13-0398)
There was none.
6. Public Comment (Opportunity for Members of the Public to Address the Board on Items of Interest that are Within the Jurisdiction of the Board). (13-0399)
There was none.
7. Chair and Board Member Comments. (13-0400)
Chair Guerro thanked Vice Chair Duarte for her leadership during her absence.
8. Adjournment of the Special Meeting of January 16, 2013. (13-0401)

The meeting adjourned at 5:26 p.m. The next Oversight Board meeting is scheduled for February 20, 2013 at 4:00 p.m.